

Why London startup Koru Kids' approach to childcare is loved by parents and investors alike ^[1]

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EXCERPTS

The U.K's Prime Minister Boris Johnson is currently pondering how the Conservatives can support busy, working parents in the U.K. Although not officially announced yet, it is understood that the Conservatives 2019 election manifesto will offer more weekly hours of free childcare to pre-school children. In a Radio 5 Live show, Boris Johnson said that "Good childcare, affordable childcare is absolutely the holy grail". The Labour Party and the Liberal Democrat Party are also suggesting they will come up with ambitious proposals to support parents.

Three- and four-year-old children currently get 15 hours per week of free childcare in the U.K. The Government is also offering 30 hours of free childcare to three- and four-year-old children of working parents who fulfil certain eligibility criteria, but the complexity of how it is delivered means many nurseries do not offer it.

Childcare costs in the U.K are amongst the highest in the world and the least accommodating, according to Unicef. In London, the most expensive region for childcare in the U.K, Charity Coram Family and Childcare reports that families pay £9,100 (US\$11,600) a year for part-time childcare for children under the age of two. Nursery fees in general are even increasing due to higher rental costs, rising wages, pensions obligations and a host of other costs.

London parents not only have to deal with costly childcare, they also work longer hours and have longer commutes compared to the rest of the U.K. The majority struggle to find a solution to a very specific problem; finding childcare for those odd hours between the nursery or school pickup and getting home from work.

Childcare for the future

Koru Kids is a London startup trying to help busy parents. They will help parents find a local after-school nanny who will do the school pickup, help with homework and feed the kids. They also introduce parents to nannies that can assist during summer holidays.

Koru Kids knows that London parents have high standards when it comes to childcare, so they only hire 10 % of nanny applicants. The nannies are given training across first aid, educational philosophies, homework, and how to assess risk and safety around the home. They are trained with a growth mindset, so that they can help children flourish even more during their time together.

Koru Kids is also working hard on expanding their "nanny share" service for babies and toddlers. They have recently launched a free "family finder" tool to help families match with other local families so that they can share nannies. A nanny share is a great solution as each family pays less, the nanny gets paid more and the children have friends to play with. It seems like a win-win scenario for everyone.

"Our ambition is to build the world's best childcare service. We're really focussed on expanding our services in London at the moment." says Rachel Carrell.

Investors are thrilled with Koru Kids quest to build new childcare solutions. Since Forbes last wrote about Koru Kids, CEO Rachel Carrel and her team have raised and secured £10 million (US\$12.8 million) in Series A investment from tech company Atomico, designed to scale the business' offering. In particular, the investment is being used to grow the nanny-share services, to expand the offer of new services such as the Family-Family matching tool, to hire more staff and to launch in new cities.

The total raised is now £14.1 million (US\$18.5 million), a big leap from the £600,000 (US\$770,000) they started with in 2016.

London's busy parents love Koru Kids' new take on childcare. Koru Kids now has thousands of London families registered on their platform. At the end of last school year 1,000 Koru Kids nannies picked up children from schools in London and provided thousands of hours of childcare to parents in 2019.

Koru Kids is currently focusing on its older nannies; those in their 40s, 50s and 60s that come with a whole range of additional advantages, such as their confidence, commitment and calm.

“In our afterschool service, we’ve seen a huge increase in the number of older nannies on our books. We recently conducted a special ethnographic study into what motivates them and why they come to work for Koru Kids and it showed us that they are driven by a combination of the practical flexibility of the work and its holistic quality. For many, there is a sense of ‘giving back’ - if they are mothers, being the help they themselves would have liked to have when their own children were small.” says Rachel Carrel.

This startup is growing fast. Koru Kids has doubled its staff since December 2018 and is planning its move to a new office space, having outgrown its original workplace. This pioneering company is certainly one to watch, helping to solve that constant concern all parents have with finding trustworthy, flexible childcare that works for them.

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